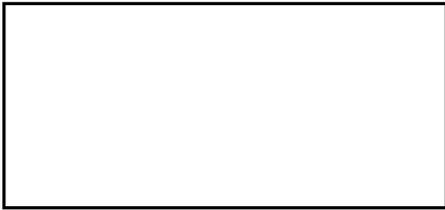


**TOP SECRET**



4 August 1958



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# CENTRAL

# INTELLIGENCE

# BULLETIN



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## CENTRAL INTELLIGENCE BULLETIN

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4 August 1958

### DAILY BRIEF

#### I. THE COMMUNIST BLOC

*2/1*

Khrushchev-Mao meeting: The brief visit of Premier Khrushchev to Communist China was apparently motivated in part by a desire to assure, prior to a summit meeting, an identity of views between Moscow and Peiping on foreign policy toward the West. However, the trip may have been planned prior to the Iraqi coup. The composition of the two delegations indicates that intrabloc problems and Sino-Soviet military relations were also discussed. The question of Chinese Communist military activity in the Far East may have been covered, but the tone of the communiqué does not suggest early action in this area. The communiqué makes no explicit reference to Chinese Communist participation at a summit meeting. [redacted]

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[redacted]

USSR-Iran: Soviet Ambassador Pegov's almost four-hour conversation with the Shah on 1 August falls into the pattern of continuing Soviet diplomatic and propaganda efforts to disrupt Western defense arrangements in the Middle East and to alarm world opinion by alleging plans for a Western-inspired attack on Iraq. The Shah, still shaken up by the Iraqi coup, is taking measures to uncover subversive elements within the armed forces and to tighten his control. Widespread measures to suppress potential sources of trouble would, however, increase dissatisfaction with the Shah. [redacted]

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### III. THE WEST

*no*  
France-Algeria: Elements in Algeria which take their cue from Information Minister Jacques Soustelle are interpreting De Gaulle's draft constitution as implicitly endorsing full integration of Algeria with France. The French Army in Algeria also is sympathetic to efforts in this direction and is continuing to urge integration on the premier. Soustelle, who is increasing his control over information media, will undoubtedly press within the cabinet for the integration formula. In view of his connections with the Algerian military leaders and Committees of Public Safety, he is in a position to exercise influence on De Gaulle. [redacted]

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*no*  
Brazil: The Communists are planning to exploit demonstrations scheduled by the National Students Union against Secretary Dulles during his present visit to Rio de Janeiro. The Rio police expect student demonstrators to number only between 200 and 300. The police are believed capable of keeping the demonstrations under control. [redacted]

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DAILY BRIEF

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## I. THE COMMUNIST BLOC

### Khrushchev Visits Communist China

OK

The visit of Soviet Premier Khrushchev to Communist China was apparently related, in part at least, to the urgency of assuring an identity of views between Moscow and Peiping on current international issues before a possible meeting between Khrushchev and Western leaders. However, the trip may have been planned prior to the Iraqi coup. The joint communiqué issued at the conclusion of the four-day visit reflects Soviet recognition of Chinese interests on such issues as a summit conference, the Middle East crisis, disarmament, and intrabloc relations. Khrushchev may allude to Far Eastern questions, such as Taiwan, at a summit meeting and may possibly suggest a second conference with Chinese Communist representation.

The composition of the two delegations, which included both Chinese and Soviet defense ministers and high officials responsible for foreign policy and party affairs, indicates the talks covered three subjects: foreign policy toward the West, intrabloc problems, and Sino-Soviet military relations. The joint communiqué condemns the United States and Britain for "aggression" in the Middle East and belabors the West for obstructing a summit meeting. It states that the principal tasks for the moment are the reduction of armaments, discontinuance of nuclear weapons use, elimination of military blocs and foreign military bases, and the conclusion of collective security pacts.

The Chinese seem particularly sensitive to the matter of foreign military bases and have linked their propaganda on the Middle East to a renewed emphasis on the "liberate Taiwan" theme. The conversations on military matters may have covered the question of Chinese Communist activity in the Taiwan Strait, but the communiqué itself gave no indication of an imminent threat in that area. On the contrary, the communiqué pledged that both sides would do their utmost to ease international tensions and prevent war, although it insisted that the

actions of the West will be an important factor in determining whether or not war can be avoided.

OK

Communist sources have been dropping the word recently of Chinese interest and activity in the development of nuclear and missile techniques, and Peiping may well have urged greater Soviet assistance to China in advanced weapons.

On the matter of intrabloc relations, the communiqué indicated no disposition to seek an early rapprochement with Belgrade. The Russians and Chinese pledged themselves to an "uncompromising struggle" against Yugoslav "revisionism."



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### Soviet Ambassador Warns Shah of Iran

Soviet Ambassador N. M. Pegov, in a long conversation with the Shah of Iran on 1 August, apparently tried to impress him with the seriousness with which the Soviet Government views Western military moves in the Middle East in order to inhibit Iranian participation in Western-backed Middle East defense measures. Pegov told the Shah he believed we are at the "very brink of a major war" because, he said, the United States was "urging" Turkey to invade Iraq, had landed American planes in Turkey, and had moved the Sixth Fleet off the Turkish coast.

*No*

Pegov urged the Shah to protest to the United States the overflight of Iran on 26 July of an American bomber which allegedly also overflew Soviet air space and prompted Soviet protests of "deliberate" violation to the American and Iranian Governments on 30 July. Pegov is reported to have told the Shah on 19 July that if American or British troops used Iranian territory as a base of operations against Iraq, Soviet forces immediately would invade Iran. The Soviet note of 30 July reminded the Shah that he had pledged that "no foreign troops would be stationed in Iran" and that "Iran would never be used against the Soviet Union."

In addition to its warnings to Iran, Moscow has protested to the governments of Turkey, Greece, West Germany, Austria, Italy, and Israel for allowing use of their territory or air space for facilitating the movement of troops and military supplies to Western forces in Lebanon and Jordan.

Moscow now appears to believe there is little danger of an attack on Iraq, but is confident it can safely exploit public apprehension over recent Western military moves and alarm over alleged plans for a Western-inspired attack on Iraq to build popular pressures for an immediate summit conference. Khrushchev's 28 July notes to the United States, Britain, and France said that the "preparations for armed interference in Iraq which are proceeding at full speed" made an early meeting mandatory. Moscow kept the allegation alive with a TASS statement on 30 July regarding the Baghdad Pact meeting in London, labeling it "a gathering of conspirators who were planning new acts of aggression against the Arab countries." [REDACTED]

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Iranian Shah Taking Measures to Tighten Internal Controls

The Shah of Iran, still shaken by recent events in Iraq, is taking measures designed to uncover subversive elements within the armed forces and to tighten his control.

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[Redacted]

Widespread measures to suppress potential sources of trouble will only increase dissatisfaction with the Shah.

The Shah's decision to promote only 10 percent of the eligible officers to the rank of general will add to discontent within the armed forces heretofore only associated with elements among the junior officers. He also apparently intends to retire several of his generals, especially those associated with General Gharani, who was recently convicted of conspiracy against the Shah. The Shah's concern, amid continuing reports of hostile Kurdish intentions

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[Redacted] is further demonstrated by the early recall of Prime Minister Eqbal and the chief of the Armed Forces General Staff from London, where they had been attending the Baghdad Pact meetings.

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[Redacted]

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